

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 EUR-12 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00
XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 /095 W
----- 126118 /53

P R 141800Z DEC 76
FM AMEMBASSY KINGSTON
TO SECSTATE WASHDC PRIORITY 3407
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY GEORGETOWN
AMEMBASSY NASSAU
AMEMBASSY PORT

C O N F I D E N T I A L KINGSTON 5430

E.O. 11652: GDS
TAGS: PINT, EFIN, JM
SUBJECT: OPPOSITION SAYS PNP COMMITTED TO DEVALUATION

1. OPPOSITION LEADER SEAGA CHARGED DECEMBER 4 THAT THE PNP GOVERNMENT HAS COMMITTED ITSELF TO DEVALUATION OF THE JAMAICAN DOLLAR. THE COMMITMENT WAS ALLEGEDLY PROVIDED "BECAUSE OF THE CONDITIONS OF A LOAN WHICH IT HAS JUST RECEIVED" (PRESUMABLY THE 25 MILLION DOLLAR SHORT-TERM LOAN FROM CANADA). SEAGA SAID THAT AS A CONDITION OF THE LOAN, THE PNP GOVERNMENT HAD AGREED TO ACCEPT CERTAIN TERMS AND CONDITIONS LAID DOWN BY THE IMF.

2. IN SUBSEQUENT POLITICAL ADS, JLP HAS PRODUCED MOCK PRICE LISTS OF WHAT SELECTED ITEMS WILL COST UNDER THE "PNP DEVALUATION SCHEME". ADS CLAIM PETROL WILL INCREASE BY 74 CENTS TO \$2.00, FLOUR BY 11 CENTS TO 27 CENTS, CORN MEAL BY 9 CENTS TO 23 CENTS, ETC. (ADS APPEAR TO BE BASED ON A 50-60 PERCENT DEVALUATION.)

3. ON DECEMBER 13, FINANCE MINISTER COORE ACCUSED JLP OF "WHOLLY IMAGINARY ASSERTIONS...CALCULATED TO CAUSE PANIC AND CONFUSION". HE CLAIMED THAT THE PRICE INCREASES PREDICTED BY THE JLP WERE "A GROTESQUE MISREPRESENTATION".

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4. COMMENT: AS SEAGA IS UNDOUBTEDLY AWARE, THE IMF TERMS AND CONDITIONS HAVE NOT YET BEEN DEFINED AND COULD POSSIBLY BE MET WITHOUT RESORTING TO A DEVALUATION. COORE'S REBUTTAL, HOWEVER, AVOIDED MAKING ANY CATEGORICAL DENIAL THAT A DEVALUATION WOULD TAKE PLACE.
GERARD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVALUATIONS, OPPOSITION PARTIES, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760460-0553
From: KINGSTON
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19761245/aaaabmvv.tel
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Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 13 JUL 2004
Review Event:
Review Exemptions: n/a
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Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

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Review Transfer Date:
Review Withdrawn Fields: n/a
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Status: NATIVE
Subject: OPPOSITION SAYS PNP COMMITTED TO DEVALUATION
TAGS: PINT, EFIN, JM, CA, PNP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006